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BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
OF THE STATE OF CALIFORNIA

In the Matter of:)	NMLS NO. 1522997
)	
THE COMMISSIONER OF BUSINESS)	ACCUSATION TO REVOKE MORTGAGE
OVERSIGHT,)	LOAN ORIGINATOR LICENSE
)	
Complainant,)	
)	
v.)	
)	
AHMAD MOTASEM ALAFYOUNI,)	
)	
Respondent.)	

The Complainant, the Commissioner of Business Oversight (Commissioner) files this
Accusation to revoke the mortgage loan originator license of Ahmad Motasem Alafyouni (Alafyouni).
The Commissioner alleges and charges as follows:

I.

STATEMENT OF FACTS

1. The Commissioner licenses and regulates mortgage loan originators, finance lenders, and
brokers under the California Financing Law¹ (Fin. Code, § 22000 et seq.) (CFL). The Commissioner
also licenses and regulates mortgage loan originators, residential mortgage lenders, and residential

¹ Effective October 4, 2017, the name of the “California Finance Lenders Law” changed to the “California
Financing Law.” (Assem. Bill No. 1284 (2017-2018 Reg. Sess.) § 4.) For purposes of this document, a
reference to the California Financing Law means the California Finance Lenders Law before October 4,
2017 and the California Financing Law on and after that date. (Cal. Fin. Code, § 22000.)

mortgage loan servicers under the California Residential Mortgage Lending Act (Fin. Code, § 50000 et seq.) (CRMLA).

2. On July 20, 2016, the Commissioner approved Alafyouni's application for a mortgage loan originator (MLO) license pursuant to both the CFL and CRMLA.

3. Respondent's application was submitted to the Commissioner on a Uniform Individual Mortgage License/Registration & Consent Form (Form MU4) in the Nationwide Mortgage License System and Registry (NMLS), as required by sections 1422.6 and 1950.122.5 of Title 10 of the California Code of Regulations.

4. On November 9, 2016, the State of Ohio charged Alafyouni with two counts of drug possession that alleged facts that make the offenses felonies in that state.

5. On November 22, 2016, Alafyouni updated his Form MU4 to disclose that he had been charged with at least one felony and uploaded documentation that showed the charges of November 9, 2016.

6. On January 11, 2017, Alafyouni pled guilty to both felony drug charges of November 9, 2016. The Ohio court thereafter stayed the criminal proceedings to permit Alafyouni to enter an "intervention in lieu of conviction" program, a form of pre-trial diversion.

7. On January 13, 2017, Alafyouni updated his Form MU4 to disclose that he had pled guilty to the felony charges and uploaded documentation that explained that his plea was entered but the case was stayed to enter the "intervention in lieu of conviction" program.

8. On September 26, 2017, the State of Washington Department of Financial Institutions entered a Final Order revoking Alafyouni's MLO license in that state because of his guilty pleas of January 13, 2017 ("Washington Order").

II.

REVOCATION IN ANOTHER STATE GROUNDS TO REVOKE LICENSE

9. Financial Code section 22172, subdivision (a)(2), authorizes the Commissioner to revoke a MLO license under the CFL if a "licensee fails at any time to meet the requirements of Section 22109.1."

10. Financial Code section 22109.1, subdivision (a)(1), requires a licensee to "never had a

mortgage loan originator license revoked in any governmental jurisdiction.”

11. Financial Code section 50327, subdivision (a)(2), authorizes the Commissioner to revoke a MLO license under the CRMLA if she finds “[a]ny fact or condition exists that, if it had existed at the time of the original application for the license, reasonably would have warranted the commissioner in refusing to issue the license originally.”

12. Financial Code section 50513, subdivision (a)(2), authorizes the Commissioner to revoke a MLO license under the CRMLA if a “licensee fails at any time to meet the requirements of Section 50141.”

13. Financial Code section 50141, subdivision (a)(1), requires the Commissioner to deny a MLO license under the CRMLA unless she finds “[t]he applicant has never had a mortgage loan originator license revoked in any governmental jurisdiction.”

14. The Commissioner finds that the Washington Order constitutes the revocation of Alafyouni’s mortgage loan originator license in a governmental jurisdiction, and such action constitutes grounds under Financial Code sections 22172, subdivision (a)(2), 50327, subdivision (a)(2), and 50513, subdivision (a)(2), to revoke Alafyouni’s MLO license.

III.

RECENT FELONY CONVICTION GROUNDS TO REVOKE LICENSE

15. Financial Code section 22172, subdivision (a)(2), authorizes the Commissioner to revoke a MLO license under the CFL if a “licensee fails at any time to meet the requirements of Section 22109.1.”

16. Financial Code section 22109.1, subdivision (a)(2), requires a licensee to have not “pled guilty or nolo contendere to . . . a felony in a domestic . . . court during the seven-year period preceding the date of the application for licensing and registration.”

17. Financial Code section 50327, subdivision (a)(2), authorizes the Commissioner to revoke a MLO license under the CRMLA if she finds “[a]ny fact or condition exists that, if it had existed at the time of the original application for the license, reasonably would have warranted the commissioner in refusing to issue the license originally.”

18. Financial Code section 50513, subdivision (a)(2), authorizes the Commissioner to revoke a

1 MLO license under the CRMLA if a “licensee fails at any time to meet the requirements of Section
2 50141.”

3 19. Financial Code section 50141, subdivision (a)(2), requires the Commissioner to deny a MLO
4 license under the CRMLA unless she finds “[t]he applicant has not . . . pled guilty or nolo contendere
5 to . . . a felony in a domestic . . . court during the seven-year period preceding the date of the
6 application for licensing and registration.”

7 20. The Commissioner finds that by pleading guilty to the two felony drug charges in Ohio on
8 January 11, 2017, Alafyouni has pled guilty to a felony in a domestic court in the seven-year period
9 preceding his current licensure, and such a plea constitutes grounds under Financial Code sections
10 22172, subdivision (a)(2), 50327, subdivision (a)(2), and 50513, subdivision (a)(2), to revoke
11 Alafyouni’s MLO license.

12 IV.

13 CONCLUSION

14 21. The Commissioner finds that Alafyouni fails to meet the minimum standards for issuance of a
15 mortgage loan originator license under Financial Code section 22109.1, subdivisions (a)(1) and (a)(2),
16 and that such findings support revocation of Alafyouni’s mortgage loan originator license pursuant to
17 Financial Code section 22172, subdivision (a)(2).

18 22. The Commissioner further finds that a fact or condition exists presently that, if it had existed at
19 the time of Alafyouni’s original application for a mortgage loan originator license, reasonably would
20 have warranted the Commissioner in refusing to issue the license originally, and that such a finding
21 supports revocation of Alafyouni’s mortgage loan originator license pursuant to Financial Code
22 section 50327, subdivision (a)(2).

23 23. The Commissioner further finds that Alafyouni fails to meet the minimum standard for
24 issuance of a mortgage loan originator license under Financial Code section 50141, subdivision (a)(1)
25 and (a)(2), and that such findings support revocation of Alafyouni’s mortgage loan originator license
26 pursuant to Financial Code section 50513, subdivision (a)(2).

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1 WHEREFORE IT IS PRAYED that the mortgage loan originator license issued to Ahmad
2 Motasem Alafyouni be revoked.

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4 Dated: December 5, 2017
5 Sacramento, California

JAN LYNN OWEN
Commissioner of Business Oversight

6 By _____
7 JEREMY F. KOO
8 Counsel
9 Enforcement Division
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